

April 6, 2017

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Schools and Libraries Universal Support Mechanism, Request for Review
and/or Waiver By Knology of Kansas, Inc. of a Funding Decision by the
Universal Service Administrative Company, CC Docket No. 02-6, Application
No. 1018862**

Dear Ms. Dortch:

Knology of Kansas, Inc. (“Knology”) hereby submits the attached revised declaration of Debra Schmidt for consideration in the above-captioned proceeding. As described in its December 16, 2016 Request for Review, Knology was formerly the cable system operator in Lawrence, Kansas and e-rate services provider to the Lawrence Unified School District #497 (the “District”), the recipient of the e-rate funds that were subject to Application No. 1018862. Ms. Schmidt is the longtime general manager of the Lawrence cable system, and has familiarity with the history of the Lawrence system providing services to the District. As such, attached to Knology’s Request for Review was Ms. Schmidt’s declaration describing the factual history of Knology’s longtime relationship with the District going back to 1990 and how the e-rate contract fits into that relationship. Due to ownership changes and new information reviewed post-transaction, the declaration has been revised and is now being submitted for consideration in the docket.

At the time of the filing, Knology was in the midst of a transaction whereby the Lawrence cable system was being sold to a new operator, Mid-Continent Communications. The attached revised declaration updates the record to reflect that that transaction has now closed, that the underlying system is no longer owned or operated by Knology, and that Ms. Schmidt is now an employee of Mid-Continent and not Knology. The revised declaration also confirms two factual points that have been confirmed by a review of archived system documents post-transaction: (1) that it was a long-standing practice of the Lawrence cable system to provide mixes of complementary Internet and email service accounts to all sorts of local commercial customers as part of their overall service packages, and (2) that a similar practice was in place with the District where similar complementary accounts were provided all the way back to the beginning of the relationship in 1990 and up through and including the period of time that e-rate services were provided in 2011 through 2015.

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

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Marlene Dortch, Secretary

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Consistent with Section 1.65(a), good cause exists for the Commission to accept the revised declaration into the record as it updates and clarifies the pleadings, and ensures that the Commission determination on the matter is based on the most accurate information.

Sincerely,

// Craig Gilley //

Craig A. Gilley

Counsel to Knology of Kansas, Inc.

cc: Aaron Garza, FCC-WCB
James Bachtell, FCC-WCB
Jerri Kemble, Lawrence Unified School District

DECLARATION OF DEBRA SCHMIDT

I, Debra Schmidt, hereby declare that:

1. I am providing this Affidavit in support of the Request for Review and/or Waiver by Knology of Kansas, Inc. ("Knology"). I have personal knowledge of the facts stated herein, or have reviewed Knology's system files regarding such facts, and could testify to the same.
2. I am currently the System Manager of the Lawrence, Kansas cable system. I have been at this position since July 28, 2012. That system, up until January 12, 2017 was owned and operated by Knology, and has since been purchased and is now operated by Mid-Continent Communications, my current employer.
3. I have personally reviewed Knology's historical file records pertaining to services provided to Lawrence Unified School District #497 ("District").
4. The Lawrence cable system has been providing commercial level telecommunications and other communications services for over two and a half decades, going back to approximately 1990.
5. Knology first submitted a bid to provide E-Rate supported services to the District in Funding Year 2011. Knology's bid was selected, and Knology and the District entered a five-year Business Services Agreement, dated March 15, 2011 ("Agreement"), regarding the provision of E-rate supported services from Knology to the District.
6. Knology also submitted bids to provide additional E-rate supported services requested by the District in Funding Year 2013 and Funding Year 2014. Knology was selected by the District and awarded a contract for Funding Year 2013. It was not selected by the District for Funding Year 2014.
7. Throughout my tenure with the company, Knology made every effort to comply with all E-rate program rules and regulations.
8. During my time at the company, Knology routinely provided ongoing staff training to staff members responsible for overseeing E-rate program participation, and it also utilized consultants to advise Knology on complicated rules and regulations.
9. Knology continuously provided telecommunications and other communications services to the District—including complimentary residential services to school board members—from 1990 until May 2015.
10. Throughout Funding Year 2011 through Funding Year 2015, the provision of complimentary services was a normal pricing and promotion strategy of Knology for commercial customers who meet certain volume or term commitments, and the values for the services provided to the District were equivalent to those given to many of Knology's commercial customers. Some examples where Knology's Lawrence cable system provided free Internet accounts to local commercial customers similar to the manner in

which such services were offered to the District as part of its comprehensive service package include: Canyon Court – 4 Gold Internet accounts, 4 Silver Video accounts; First Management Inc. – 4 Gold Internet accounts, 4 Silver Video accounts; Gage Management Inc. – 4 Gold Internet accounts, 4 Silver Video accounts, and Phone Unlimited service; and Meadowbrook Apartments and Townhomes – 3 Palladium Internet accounts, 4 Silver Video accounts, and Bronze Phone service. In total, Knology's Lawrence system offered similar complementary video and Internet services to over 50 local commercial customers as part of their large service packages.

11. The volume of services that the District purchased from Knology year after year qualified the District for a limited number of complimentary residential Internet accounts as a commercial customer.
12. The complimentary accounts were intended to help school officials and employees perform their official functions. They were not intended to circumvent the E-rate program rules or influence the competitive bidding process.
13. The Agreement included the free accounts because the District requested that the accounts be included during contract negotiations with Knology in 1990 for ordinary, non-subsidized commercial services. These negotiations took place well before Knology submitted a bid in response to the District's request for E-rate supported services in Funding Year 2012.
14. Knology continued to provide the complimentary accounts until May 2015, when the Business Services Agreement was amended in various respects.

I declare under penalty of perjury and pursuant to 47 C.F.R. § 1.16 that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed on:

A handwritten signature in cursive script, reading "Debra Schmidt".

Debra Schmidt